

# 1 Landgrabbing in Eastern Germany and Eastern Europe

## 2 Abstract

3

4 Landgrabbing resp. farmlandgrabbing is a phenomenon of increasing  
5 importance and strongly threatens the sovereignty of regions or even  
6 states especially of developing countries.

7 Landgrabbing can be described as a process by which farmland is grabbed  
8 by few and even fewer persons taken away from family farms or peasants.

9 An excellent description was formulated by Perdriault (2012).

10 It has been sometimes stated that globalization and neoliberal politics are  
11 responsible for the processes of landgrabbing (e.g. Zoomers, 2010). On the  
12 other hand it has been stated that landgrabbing and foreign acquisition  
13 (both processes often occurring together) are mainly relevant in countries  
14 with (Holdringhausen, 2015):

- 15 1. Low participation in political life
- 16 2. Low reliable business policies
- 17 3. Low legal certainty
- 18 4. High degree of corruption.

19 In this paper it will be shown for the case of Eastern Germany, that after  
20 the transformation of the soviet-like- agrarian structure into the  
21 market/regulated agrarian structure of the unified Germany, the ex-  
22 socialistic cadre in collaboration with West-German speculators  
23 determined the development of Eastern Germany agriculture which in  
24 turn affects the agricultural structures of the entire Germany.

25 A main aspect of the post- socialist agrarian development was the  
26 distribution of the farmland in Eastern Germany which was divided  
27 within a small number of landgrabbers (Gerke, 2008, IV.).

28 The land concentration (landgrabbing) was the basis for the foreign  
29 acquisition of farmland to external investors.

30 The concentrated distribution of farmland by corruptive methods in  
31 Eastern Germany fulfilled the four conditions described by  
32 Holdringhausen (2015), leading to a situation in which in some regions of  
33 Mecklenburg-Vorpommern and Brandenburg, more than 30-40% of the  
34 farmland belong to investors (Tietz , 2015, 2017).

35 The results for Eastern Germany are the basis for the discussion of the  
36 landgrabbing situation in Eastern Europe.

37

## 38 **Introduction**

39 Landgrabbing is considered to be a problem mainly in countries of the  
40 south (e.g. Borrás et al., 2011). However, this perspective is changing. For  
41 the European Union (EU) a study on landgrabbing has recently been  
42 published (Kay et al., 2015). The central result of this study is, that  
43 landgrabbing exists in the EU and that it is concentrated on the Eastern  
44 European countries (including Eastern Germany).

45 A definition or a more or less precise meaning for “landgrabbing” or  
46 “farmlandgrabbing” is still lacking. In my opinion, a very useful  
47 description on landgrabbing is given by Perdriault (2012). In the context  
48 of investments, transfer and acquisition of land rights, he described  
49 landgrabbing as follows: *“In both cases (a complex organization of  
50 collective rights or many land titles corresponding to individual and  
51 exclusive rights) we are witnessing a concentration of the privatization  
52 of very large areas of land, always in the hand of less and less people.  
53 That is what strictly corresponds to the definition of the word “grabbing”.  
54 Therefore, this word is the one that seems to describe accurately the  
55 current phenomena”*. Perdriault (2012) rejected the terms “acquisition”  
56 and “transfer of land”, suggesting this take over being under agreements  
57 of all parties concerned which is very far from being always the case.

58 Landgrabbing is according to this definition a process without beginning  
59 and end, leading to a more and more reduced number of persons which  
60 have access to farmland.

61 With the process of landgrabbing inevitably connected is fact that at a high  
62 degree of land accumulation, the owners or investors are no longer living  
63 at the farmland sites. They will become external investors, more or less  
64 without a regional connection.

65 For Europe, landgrabbing is an increasing problem which is mainly  
66 concentrated to Eastern Europe, including Eastern Germany (Gerke, 2015;  
67 Kay et al., 2015).

68 The reason for the concentration of landgrabbing in Eastern Europe may  
69 be based on the fact that these countries including the former GDR/East  
70 Germany belonged to the Eastern Bloc countries which were dominated  
71 by the Soviet Union. Landgrabbing in Eastern Europe is the origin of the  
72 agricultural transformation processes by which these countries were  
73 transformed from “socialist” states to members of the EU.

74 These agricultural transformation processes, strongly depending on  
75 farmland concentration in Eastern Europe and Eastern Germany are often  
76 ignored ironically from two opposite political points of view, on one side  
77 the “liberal” view of politicians and scientists, who emphasize the role of  
78 a free market for the agricultural sector, and on the other side “left” or  
79 “socialist” politicians and scientists who advocate regulated agricultural  
80 politics.

81 Both types of scientists and politicians ignore to a certain extend the reality  
82 and are, within a more or less useless pseudo-discourse, related to each  
83 other.

84 The neoliberal prototype ignores the fact that the agrarian market in the  
85 EU is strongly regulated at least within the last 25 years up to today. He  
86 often ignores the effects of regulations and EU- subsidies and the  
87 distribution of state owned farmland which favor mainly great farms and  
88 not small or medium scale family farming.

89 On the political left side, politicians and scientists are not willing or are not  
90 able to consider the systematic destruction of family farms and peasants  
91 during the socialistic period and mostly ignore that the former socialist  
92 cadre from the period before 1989 form the principal establishment in

93 today agriculture of Eastern Europe which is responsible for the  
94 landgrabbing in these countries (Bastian, 2003; Gerke, 2008, chapt. II.;  
95 Beleites, 2012).

96 The increasing extent of landgrabbing in Eastern Europe and Eastern  
97 Germany may question the future existence of family farms in the whole  
98 EU (Kay et al., 2015).

99 Mainly two political instruments led to the dominance of great farms and  
100 landgrabbing (according to the description by Perdriault, 2012) in the  
101 eastern EU, the distribution of farmland after 1990 as a result of decisions  
102 by the respective governments and not by regulations by a soil market and  
103 the distribution of EU subsidies to the agrarian sector, both instruments  
104 supporting each other (Gerke, 2015).

105 The present system of EU- subsidies for the agricultural sector exists since  
106 1994. The subsidies for each farm are mainly calculated according to the  
107 utilized agricultural area (UAA) of a farm, family farm or holding. The  
108 greater the UAA, the higher are the subsidies each year. This leads to the  
109 situation that great farms e.g. in Eastern Germany with 2.000 ha UAA and  
110 a small amount of farm workers (often about or less than 0.5  
111 worker/100ha) receive more than 120.000 €/ worker each year, whereas  
112 in family farms the owner and family workers receive less than 8.000 € per  
113 family member and year (Gerke, 2008, Chapt. IV).

114 The dependence of the EU- subsidies on the UAA is one way to destroy  
115 family farming of medium and small sized farms in the EU. Kay et al.,  
116 (2015) correctly stated an “erosion of Europe’s model of family farming”  
117 and a trend to farmland grabbing.

118 Kay et al. (2015) collected data of case studies on farmland grabbing which  
119 are exclusively situated in Eastern Germany and Eastern Europe.

120 They however considered farmland grabbing only under the aspect of  
121 external investors and did not answer the question why landgrabbing is  
122 almost located within Eastern Europe countries (including Eastern  
123 Germany).

124 Small or medium sized family farms can compensate to a certain extend  
125 the uneven distribution of EU- subsidies by effective and more adapted  
126 forms of agriculture compared to industrialized agricultural farms. If this  
127 statement is realistic, then the EU- subsidies distribution mainly to big  
128 farms cannot explain the decrease of the number of small and medium  
129 sized farms in Europe alone.

130 However, if farmland is nearly exclusively distributed to great farms,  
131 often mediated by corruption structures, family farms cannot be founded  
132 exist or extended.

133 And such a situation existed after 1990 in Eastern Germany and most of  
134 the Eastern Europe countries. In these countries an agricultural system of  
135 industrialized and collective farms dominated mostly without family  
136 farms and peasants. This system was adopted from the Soviet Union (SU)  
137 and similar to the development of this system in the SU three phases of  
138 development can be discriminated in Eastern Europe.

- 139 a. Expropriation of larger scale farms and family farms (in the 1940ies  
140 and 1950ies)
- 141 b. Repressive collectivization of all farms the new individual members  
142 of the collective farms not being members with equal rights but  
143 simply minor farm workers (Bastian, 2003; Gerke, 2008, Chapt. II)  
144 (mostly in the 1950ies)
- 145 c. Industrialization of the collective farms together with a further  
146 increase of farm scale (1960ies to 1970ies)

147 This development happened in most of the Eastern Europe countries  
148 including Eastern Germany/GDR.

149 A famous member of the former civil rights movement of the GDR,  
150 Michael Beleites characterized this agricultural development as follows  
151 (Beleites, 2012, p. 33, translation by J.G.):

152 *“The Eastern Germany agricultural structures of today are the result of*  
153 *violence and a system of total repression by a cynic totalitarianism.*

154 *The “soil reform” (1945/46), the collectivization (1952-60), and the*  
155 *agricultural industrialization had one central aim, the total liquidation*  
156 *of the free peasants and family farms...”*

157 The central aspect of this statement for the problem of farmland grabbing  
158 in Eastern Europe and Eastern Germany is, that a great portion or most of  
159 the farmland formerly expropriated was distributed after 1990 by the new  
160 formed states by leasing or selling or both. The federal governments  
161 became owner of a great, sometimes dominating part of the farmland of  
162 the respective country. Therefore soil politics became the main factor for  
163 the agricultural development in these countries.

164 This way of soil politics will be described in detail for the case of Eastern  
165 Germany. Afterwards these results will be extended to other Eastern  
166 Europe countries and the importance of Eastern Europe soil politics for  
167 the phenomena of farmland grabbing will be described.

168

### 169 **Soil politics in Eastern Germany, the rise of large and extremely large** 170 **farmland properties**

171

172 In 1990, the year of the German reunification, several political decisions  
173 were made concerning the Eastern Germany agriculture. The  
174 expropriation of the great farms in the years 1945/46 which, in 1990, led  
175 to about 40% farmland in the hand of the central German government,  
176 was confirmed after 1990 by the federal politics and the highest German  
177 court (Bundesverfassungsgericht) in 1991. This farmland pool of more  
178 than 2 million ha in the beginning of 1990 (Horstmann, 2005) was held in  
179 the first two years by the central organization “Treuhand”, and afterwards  
180 by the BVVG, a company owned by the federal ministry of finance (see in  
181 detail Gerke, 2008; chapter IV). Together with some other soil pools, the  
182 German government initially, after the reunification, controlled between  
183 45 and 65% of the farmland in Eastern Germany, depending on the  
184 considered region.

185 The initial leasing of this farmland pool was decisive for the development  
186 of the agricultural structures in Eastern Germany after 1990. And for the  
187 leasing of the BVVG- farmland pool, clear guidelines existed, supporting  
188 the re-establishing of the family farms. However, these guidelines only  
189 existed on the paper, they had no influence on the real leasing of BVVG-  
190 farmland in the former GDR.

191 The main reason why the BVVG- guidelines were ignored was due to the  
192 might of the former socialist GDR-cadres on the leasing decisions. The  
193 leasing deciding institutions, the so called "soil commissions" (in German  
194 "Bodenkommissionen") were constituted including a majority of  
195 members which were former socialist cadres in the time before 1990. They  
196 mainly decided that the farmland had been leased to the successors of the  
197 collective farms or to members of their own group of cadres who  
198 themselves founded new farms after 1989 by destroying the collective  
199 farm of the region and acquiring the most attractive pieces for their own,  
200 newly founded farm. The consequence of this decision was, that the great  
201 Eastern German farmland pool was distributed to very few farms held by  
202 the former socialist cadres and that a broad distribution was prevented  
203 initially from the beginning of the German unification process. Thus, the  
204 farmland was initially grabbed by few ex- socialist cadres, whereas family  
205 farms and peasants were mainly excluded from this distribution. For a  
206 detailed description of farmland distribution of the BVVG- farmland pool  
207 see Gerke (Gerke, 2008, Chapt. IV.).

208 So, the former GDR- nomenclatura had a strong influence on the  
209 agricultural development after 1990. This was possible because the main  
210 West German farmer association (Deutscher Bauernverband, DBV)  
211 strongly supported the East German socialist agrarian cadre probably to  
212 get some influence on the agricultural policy in Eastern Germany (Bastian,  
213 2003; Gerke, 2008, Chapt. II., Bastian, 2010).

214 Family Farms and peasants were largely excluded from leasing Eastern  
215 Germany farmland. The dominance of big farms and the accumulation of  
216 most of the farmland in Eastern Germany mainly in the hand of few  
217 thousand persons has its origin in the initial leasing of the BVVG  
218 farmland.

219 The uneven BVVG- farmland distribution is illustrated in table 1.

220

221 Table 1. Leasing of the BVVG- farmland to Eastern Germany farms  
222 depending on the utilized agricultural area of the respective farms ( date  
223 1.1. 2010, Source: German Federal ministry of finance, 2012)

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225	<100 [ha]	100- 250 [ha]	250- 500 [ha]	500- 1.000 [ha]	> 1.000 [ha]
226			[ha]		
227	5.770	20.807	35.541	71.038	154.873

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228

229 In 1992 the BVVG farmland pool was the by far greatest landpool in  
230 Eastern Germany. Initially, leasing was limited to few years then  
231 prolonged for further 12 years, then extended to 18 years and finally to 27  
232 years.

233 Therefore leasing in 2010 related to the UAA of the farms as shown in table  
234 1 reflects also the leasing initially in 1990. The results show, that farms  
235 with less than 100 ha UAA possess leasing contracts with the BVVG for  
236 less than 2% of the BVVG- land, whereas farms > than 500 ha UAA  
237 received about 80% of the BVVG- farmland. However, farms < 100 ha  
238 account for more than 50% of the number of farms in Eastern Germany  
239 (Gerke, 2015) but received less than 2 % of the BVVG- farmland.

240 The same soil commissions responsible for the distribution of BVVG-  
241 farmland also made the decisions on the distribution of the farmland of  
242 the Eastern Germany federal states Mecklenburg-Vorpommern,  
243 Brandenburg, Sachsen-Anhalt, Sachsen and Thüringen, a pool which  
244 accounts for about 350.000- 400.000 ha farmland. Also through the leasing  
245 of this pool great farms have been strongly supported (Gerke, 2008 Chapt.  
246 IV.).

247 The dominance of big farms in Eastern Germany is the direct result of the  
248 way of leasing of BVVG- and federal state farmland.

249 In 2011, in the Eastern Germany federal state “Mecklenburg-  
250 Vorpommern” 341 farms were greater than 1.000 ha and accounted for  
251 more than 40% of the UAA of this federal state, whereas in the Western  
252 German federal states “Nordrhein-Westfalen” and “Niedersachsen” 4,  
253 resp. 11 farms were greater than 1.000 ha with a neglectable effect of these  
254 big farms on agricultural structure in these states (Klüter, 2012).

255 Meanwhile, most of the UAA of the BVVG has been sold. Two aspects of  
256 this by out are important within the present context.

257 a. The selling of BVVG- Farmland in the period from 1996 to about  
258 2007 was conducted at price levels which were only slightly above  
259 zero. For example, in Brandenburg, in 2003, the BVVG- prices for  
260 arable land were about 1.300 €/ha (Gerke, 2012). In contrast, the  
261 medium prices on the more or less “free soil market” in Eastern  
262 Germany were about the 6-10 fold. The respective prices in Western  
263 Germany at the same time were between 15.000 and more than  
264 60.000 €/ha.

265 b. The prices for BVVG- farmland were so low that every Eastern  
266 Germany farmer would have acquired great portions of BVVG-  
267 farmland. However this land pool was selectively sold to very few  
268 farms. A German federal law (Entschädigungs- und  
269 Ausgleichsleistungsgesetz, EALG) from 1994 should partly  
270 compensate for the repression of farmers and peasants during the  
271 totalitarian socialist period. It regulated the low prize selling of  
272 farmland to this group being under political repression in the time  
273 between 1945-1989, as a certain compensation for this repression.  
274 However under the lobby of the Western German farmers  
275 association (DBV) in combination and connection with the formerly  
276 socialist agrarian cadres this law was transformed to such an extent  
277 that the long term leasing of the BVVG- farmland was a  
278 precondition for the buying of BVVG- farmland. By the help of this  
279 instrument, the original aim of the EALG- law was transferred to its  
280 strict opposite. In consequence of this law it did not support the  
281 groups which were repressed in the GDR but strongly supported  
282 the group of former socialist cadres which were the basis of the

283           repressions in the totalitarian GDR and helped to extend the  
284           repressions up to today against family farms and peasants.

285

286 Table 2: Privatization of BVVG- farmland from 1992- 2011 to different  
287 groups (Source: Federal ministry of finance, 2012).

Tenants	Expropriated	General. Announcement	Restricted. Announcement
----- [ha] -----			
633.753	20.436	44.455	5.519

288

289 During the period 1992- 2011 more than 90% of the BVVG farmland was  
290 sold to the farms or persons which had leased the land for long times (table  
291 2). And this landpool was sold at extremely low price levels. The  
292 expropriated families for which the supporting EALG- law originally was  
293 formulated only received around 3% of the farmland at reduced prices  
294 (table 2).

295 And table 2 also informs us without any doubt, that Eastern German soil  
296 politics has nothing to do with a “free” soil market. For the by far greatest  
297 Eastern German soil pool, the BVVG farmland selling after advertising  
298 only accounted to about 7% of the sold land. And again considering that  
299 the BVVG- farmland leasing farms or individual farmers mainly consisted  
300 of former socialist cadres, table 2 shows in what strong way this group  
301 was supported at the expense of medium and small scale family farmers  
302 and peasants.

303 Considering again the description of landgrabbing given by Perdriault  
304 (2012):

305 *„ These processes (acquisition and transfer of land or even assets)often*  
306 *lead to a transition from a complex organisation of collective rights of*  
307 *different resources at the same territory, to a system of private and*  
308 *exclusive right, where the whole land use rights are held by an individual*  
309 *or a single firm (the phenomenom appropriation). However, it can also*  
310 *involve an accumulation of many land titles in the same hands already*  
311 *corresponding to individual and exclusive rights, but until then held by*

312 *many small owners and tenants. In both cases we are witnessing a*  
313 *concentration of deprivation of very large areas of land, always in the*  
314 *hand of less and less people. This is what strictly correspond to the*  
315 *definition of the word >grabbing<. Therefore, this word is the one that*  
316 *seems most accurate to describe the current phenomena. Indeed we will*  
317 *see that the benefits to the community are rare, even when the land has*  
318 *not been used before."*

319 Peridrault (2012) here describes the processes of farmland acquisition by  
320 fewer and fewer persons which, on the other side, expropriate the rights  
321 of more and more persons, farmers and peasants. Farmland grabbing and  
322 farmland concentration in the hand of few persons are formally the same.  
323 And the advantage of Peridraults description of farmland grabbing is its  
324 formal character.

325 In the case of Eastern Germany, from the beginning in 1990, soil politics of  
326 the different governments already intended to hinder the broad  
327 distribution of farmland.

328 The main "landgrabbers" in the early 1990ies were the agrarian ex-  
329 socialist cadres of the former GDR and, to a lesser extent, some officials of  
330 the West German farmers association (DBV) (Bastian, 2003; Gerke, 2008).  
331 This initial land distribution in Eastern Germany already represented  
332 structures of extreme land grabbing. And the concentration process is still  
333 going on until today.

334 In the beginning, farmland grabbing meant leasing farmland to small  
335 number of persons or holdings. And the leasing became a precondition for  
336 the selling of BVVG- farmland at strongly reduced prices, sometimes  
337 prices for this farmland pool being near zero.

338 However, since about 2007/08, farmland prices in Eastern Germany have  
339 increased strongly. The reasons were, a. the proportion of the BVVG-  
340 farmland decreased which still could be sold, taking in mind, that the  
341 prices of the BVVG- farmland were much lower than the prices at the non-  
342 restricted market, b. the demand for buying farmland increased because  
343 external investors found that farmland to be a save object of investments.

344 Under these changing conditions, the early owner of the big farms, who  
345 bought the farmland especially from the BVVG at prices of 1.000, 2.000  
346 and, in most cases less than 3.000 €/ha, were confronted with selling offers  
347 of about 20.000- 30.000 €/ha by external investors. These investors  
348 collected often several or even many farms thereby extending the  
349 farmland grabbing to a new level.

350 Among others, the holding KTG Agrar had under control more than  
351 30.000 ha farmland in Eastern Germany, the “Steinhoff Group” and the  
352 “Lindhorst Group” each more than 20.000 ha (Niemann, 2010). Among  
353 several others these are examples for external investors in agriculture in  
354 Eastern Germany. The two greatest Farmland holdings in Eastern  
355 Germany, KTG Agrar and the Steinhoff- group are at present in big  
356 economic trouble, indicating that these big agricultural units are not  
357 economically stable.

358 Such an extent of farmland grabbing does not exist in Western Germany.

359 What are the reasons for the differences between West- and East-  
360 Germany?

361 Investors and international holdings are probably interested in great  
362 farms with rounded of territory. Such agricultural structures have been  
363 found in Eastern Germany, not in Western Germany, as a result of the  
364 expropriation in the SBZ 1945-46 and the transfer of a big farmland pool  
365 after 1990 into the hand of the German government (Gerke, 2008, Chapt.  
366 IV).

367 And the first generation of big farms in the hand mainly of the former  
368 GDR- cadres is now stepwise sold to external investors thereby even  
369 increasing the almost high level of grabbing to a new one.

370 The holding KTG-Agrar grew to such a big player (more than 30.000 ha),  
371 because they took over several successors of the collective farms of the  
372 GDR, with the aid of the regional governments and other informal  
373 helpers.

374 The concentrated and long term leasing of the BVVG- farmland to few  
375 people/successors of the collective farms was accompanied by leasing

376 rates being about less than one third of those of the free market (Gerke,  
377 2012).

378 Which are the driving forces for the support of external investors in  
379 agriculture of Eastern Germany?

380 This question is important, because in some regions of the federal states  
381 Mecklenburg-Vorpommern and Brandenburg, meanwhile around 30-  
382 40% of the farmland is in the hand of external investors (Tietz, 2015; 2017).

383 In 1996, the buyout of the BVVG- farmland began. In the period up to 2011  
384 more than 90% of the farmland was sold to persons or holdings which  
385 leased this farmland before (table 2).

386 Now, this farmland can be sold again receiving prices between 20.000 and  
387 30.000 €/ha, in some cases up to 45.000 €/ha.

388 For the persons or holdings, who bought the farmland at an extreme low  
389 price level, the actual high price level may trigger their interest to sell  
390 farmland or whole farms to persons, holdings or groups who can afford  
391 such high farmland prices. And because the ex- socialistic cadres are  
392 influential within the German farmers association (DBV) (Bastians, 2003:  
393 Gerke, 2008; Chapt. II), the allowance of selling Eastern Germany  
394 farmland to external investors has become an important political aim  
395 within the DBV. And because Eastern German agricultural politics  
396 support every political demand of the DBV, the introduction of external  
397 investors is a supported part of the agricultural politics in Eastern  
398 Germany. This has been shown by Gerke (2012).

399 But beside this destructive interaction between politics and lobby  
400 organization (DBV) the situation is much more adverse for family farming  
401 and peasants.

402 Other organizations involved in German agriculture and in opposition to  
403 the official agricultural politics are often called "agrarian opposition".  
404 They consist of some farmers organizations outside of the DBV, NGOs  
405 dealing with environmental protection or protection of farm animals, or  
406 associations supporting ecological agriculture. And their representative

407 did and do not recognize the importance of Eastern Germany soil politics  
408 for family farms and peasants.

409 We have to state a soil discourse between politics, lobby and opposition  
410 which principally exclude the role of farmland distribution and land  
411 grabbing on the agrarian structure in Eastern Germany. Also, the question  
412 why land grabbing exists in Eastern Germany but not in Western  
413 Germany has not been put in the context to Eastern German soil politics,  
414 with few exceptions (Bastians, 2003; Gerke, 2008; 2015).

415 For example, in her master thesis, Alessa Heuser (2015, p. 107)  
416 affirmatively cited a “scientist” K. Hirche, who formerly often wrote for  
417 the yearly appearing German “critical agrarian report” (Kritischer  
418 Agrarbericht) of the agrarian opposition. As an answer to the question of  
419 Heuser on the support of peasant and family farming based farming  
420 systems, Hirche answered: “... As I said, what would be most efficient is  
421 the regulation via money (EU agricultural subsidies J.G.) and not through  
422 the demand for more concrete concepts which should lead to more  
423 concrete laws (concerning land transfers J.G.)...”. What is most important  
424 in this citation, and Hirche is not the exception but the rule among  
425 members of the so called agrarian opposition, is the ignorance of soil  
426 politics as an agrarian structure deciding process in Eastern Germany.  
427 Why should the indirect instrument of regulation by the subsidies be more  
428 efficient than the direct distribution of Eastern German Farmland of the  
429 BVVG to family farms and peasants?

430 Despite of the strong importance, Eastern German soil politics was no  
431 theme for scientists at universities and research institutions during about  
432 two decades 1990- 2010.

433 Recently, 2011, 2013, 2015, 2017 three studies have appeared mainly on  
434 external investors in German agriculture, from which the last two studies  
435 put a focus on Eastern Germany (Forstner et al., 2011; Forstner and Tietz,  
436 2013; Tietz, 2015, 2017). The institution which undertook these studies,  
437 the “von Thünen Institut” is dependent and thus object of direct  
438 instructions by the federal ministry of agriculture in Berlin. Therefore, no  
439 independent research and investigations are conducted by this institute.

440 Already during the public presentation of the first of the three studies  
441 (Forstner et al., 2011), a press information by the supervising ministry  
442 declared, that this study found no evidence for a support of external  
443 investors by the BVVG. However, the study of Forstner et al. (2011) did  
444 not look on the role of the BVVG for external investors and consequently  
445 could not find any effect because it was out of the view of the study.

446 The effect of Eastern German soil politics on farmland grabbing in Eastern  
447 Germany has no role within the agricultural departments of the  
448 universities in Germany.

449 Prof. Dr. Klüter from the geographical department of the University of  
450 Greifswald, Meckenburg-Vorpommern, has shown the destructive effect  
451 of big farms in Eastern Germany on soil productivity, wealth of the  
452 respective regions and input/output efficiency (Klüter, 2012; 2015).  
453 Remarkable is, that no German agricultural scientist was able to describe  
454 these negative effects in the case of Eastern Germany. This ignorance may  
455 be founded in the strong ideology of a homogeneous group of scientists  
456 working in the field of agricultural politics and economics (see Gerke,  
457 2008, Chapt. IX).

458

### 459 **Farmland grabbing in Eastern Europe**

460 Agriculture based on big farms is not a sole characteristic of Eastern  
461 Germany and is present in most Eastern European countries. Martins and  
462 Tossdorf (2011) presented a study which supports this statement. To  
463 characterize the importance of big farms in a single land within the EU  
464 they calculated several parameters, the medium size of the farms (ha  
465 utilized agricultural area, UAA), the medium size of the biggest farms  
466 which possess 20% of the UAA (ha UAA), the proportion of big farm as  
467 related to all farms of a single country and the relation between the  
468 average UAA of the biggest farms to the average of all farms.

469

470 Tabelle 3. Utilized agricultural area (UAA,) of the biggest farms which  
471 possess 20% of the UAA, average UAA of all farms, the relation UAA big

472 farms/UAA average and the proportion of the big farms as related to all  
 473 farms (data from Martins and Tossdorf, 2011).  
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Land	UAA big farms (ha)	UAA of all farms (ha)	UAA big/UAA average	Proportion of big farms related to all farms(%)
<b>Bulgaria</b>	3.128	6	521	0,04
<b>Denmark</b>	1.249	60	20	2,80
<b>Germany</b>	1.391	46	30	0,60
<b>France</b>	274	52	5	3,80
<b>Great Britain</b>	2.461	54	44	0,45
<b>Italy</b>	337	8	42	0,45
<b>The Netherlands</b>	135	25	5	3,68
<b>Austria</b>	295	19	16	1,31
<b>Poland</b>	250	6	42	0,52
<b>Romania</b>	1.802	3	609	0,04
<b>Slovakia</b>	3.934	28	142	0,14
<b>Czech Republic</b>	3.531	89	42	0,52
<b>Hungaria</b>	3.164	7	452	0,04

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479 The higher the values of column 1, the lower the values of column 2, the  
 480 higher the relation in column 3 and the lower the percentage of column 4,  
 481 the higher is the degree of farmland concentration ( farmland grabbing)  
 482 within the hand of few persons or few holdings.

483 The results of table 3 show that in most Western European countries, such  
 484 as France, Italy, and the Netherlands, the parameters indicate a relatively  
 485 broad farmland distribution. The values in column 3 are below 100 and  
 486 the average UAA is between 135 and 337 [ha].

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487 The data of the Eastern Europe countries strongly differ from those in  
488 Western Europe. The average UAA of the big farms in Eastern Europe is,  
489 with one remarkable exception above 1000 [ha] (table 3). The relation  
490 between the UAA of the big farms and the average UAA is, in most case,  
491 above 100, in Romania above 600, indicating a strong inequality in  
492 farmland distribution among the farms. One exception here is the Czech  
493 Republic with a relation of 42. The reason for this result is a relatively even  
494 distribution however about 90% of the farms are above 100 [ha] (Gerke,  
495 2015), an even distribution between big farms alone in this country. The  
496 socialist period has nearly perfectly destroyed small and medium scaled  
497 farms here.

498 Two countries, one in Eastern Europe and one in Western Europe do not  
499 follow this pattern, Poland and Great Britain.

500

501 In Great Britain, large farms area account for a great proportion of  
502 farmland, however, a broad part of medium scale farms between 20 and  
503 200 [ha] account for about 50 % of the UAA (Gerke, 2015). Therefore,  
504 despite of the existence of big farms, the relation between the medium  
505 UAA of the large farms and that of all farms is relatively low accounting  
506 for 42 similar to other Western Europe countries (table 3). Martins and  
507 Tossdorf (2011) argued that in Great Britain, large farms have their  
508 foundation in the specialization in pasture farming, ignoring the effect of  
509 former feudalism on large scale farms in Great Britain even today.

510 Poland also shows parameters (table 3) similar to Western Europe states  
511 of the EU. In this land, collectivization of the farms was only partly  
512 successful from the viewpoint of the socialist government because of the  
513 strong resistance of peasants and family farmers against it. The structure  
514 in Poland supports the view of the importance of the pre- 1990 agrarian  
515 structures in Eastern Europe for the foundation of large farms after 1990.

516 If farmland grabbing is important mainly in Eastern Germany and only  
517 to a small extend in Western Germany, if farmland grabbing within  
518 Europe is important in Eastern Europe and not in Western Europe, than

519 at present two central questions of research for scientists in agriculture, in  
520 social sciences and in agricultural politics should be:

521 What are the driving forces that transformed the former socialistic  
522 agriculture (including large farms and partly industrialized agriculture)  
523 after 1990 again into structures which are dominated by large farms in  
524 most of the Eastern Europe countries, sometimes combined with the  
525 existence of very small farms?

526 What are the mechanisms that make Eastern Europe agriculture  
527 susceptible to farmland grabbing and to external farmland grabbing?

528 For Eastern Germany, Bastians (2003), Gerke (2008) and Beleites (2012)  
529 have given a certain foundation to answer the two questions.

530 But what is about the other Eastern Europe countries?

531 Martins and Tossdorf (2011) described the agricultural structures of today  
532 in Eastern Europe as inherited (“... here the structure of the agricultural  
533 holdings is related to particular ownership structure made up of large  
534 scale cooperate farms inherited from former state owned  
535 cooperatives...”).

536 This statement of Martins and Tossdorf does not explain anything because  
537 the break in 1990 destroyed many economic structures in Eastern Europe  
538 and the explanation by Martins and Tossdorf as a transformation in which  
539 “inheritance” plays a role is a biologicistic argument which has nothing to  
540 do with the understanding of socio- economic development. Besides this,  
541 obviously Martins and Tossdorf (2011) do not know that, before 1990 in  
542 Eastern Europe, cooperative farms did not necessarily belong to the state.

543 Taking the development in Eastern Germany as an example, it may be a  
544 realistic hypothesis that in Eastern Europe the former socialist cadres  
545 retained their influence and might even after 1990 and hindered family  
546 farmers and peasants to reestablish their farms or to found new farms. The  
547 results of Gerke (2015) support this view.

548 In a paper, dealing with farmland grabbing within the EU, Kay et al. (2015)  
549 stated for Bulgaria that farmland grabbing is supported by a certain kind

550 of land-trader, “Arendatori”. At this point it would be useful to evaluate  
551 the status of the “Arendatori” for example, if they are part of an informal  
552 cartel possibly based on the connections founded before 1990.

553 For Eastern Germany, such informal structures of farmland distribution  
554 have their origin in the former GDR (Bastians, 2003; Gerke, 2008; 2012;  
555 Beleites, 2012).

556 Kay et al. (2015) described that farmland grabbing by external investors is  
557 mainly important in Estonia, Hungaria, Lithuania, Romania, Bulgaria,  
558 Slovakia, Poland and the Czech Republic.

559 Extreme and impressive is the situation in Romania. More than three  
560 million small farms below 5 ha UAA are accounting for about 30% of the  
561 total UAA in Romania, whereas about 35.000 farms above 100 ha UAA i.e.  
562 less than 1 % of all farms are able to decide about more than 50% of the  
563 UAA in Romania (Gerke, 2015).

564 Simultaneously, Romania is a country with large scale external farmland  
565 investors. Attila et al. (2015) listed some of them, among others, Generali  
566 insurances with 4.500 ha UAA, Bardeau holding with 21.000 ha, Riso Scotti  
567 SPA with 15.000 ha.

568 What a social climate of repression in Romania has been required to  
569 maintain on the one side millions of small farms below 5 ha, urgently  
570 needing additional farmland for the consolidation of the farms, and, on  
571 the other side the existence and growth of large farms of external  
572 investors.

573 Attila et al. (2015) argued that external investors had the opportunity to  
574 found large scale farms in Romania because they received state-owned  
575 farmland and whole ex- collective farms from the years before 1990. By  
576 this result, they support the view that the former socialist elites strongly  
577 supported and possibly still support and control farmland grabbing in  
578 Romania. And the governments in Romania ignore the urgent need of  
579 farmland for the consolidation of small farms. And as a conclusion  
580 farmland grabbing in Romania is supported against the needs of family  
581 farms and peasants.

## 582 **Conclusions and outlook**

583 The results on Eastern Germany and the indications on Romania and  
584 Bulgaria and the result of the nearly perfect absence of small and medium  
585 farms in the Czech Republic strongly indicate a deficit in scientific  
586 research of the driving forces for farmland grabbing in Eastern Europe in  
587 general.

588 The repression of farmers, its families and of the peasants and its families  
589 during the socialist era in Eastern Europe and the transformation and  
590 partly conversation of big farms after 1990 and consequent susceptibility  
591 to farmland grabbing partly by external investors should not remain to be  
592 a taboo for an extended future scientific research and agrarian politics.

593 The conservation of former socialist agrarian structures and the  
594 maintaining of the might of the socialist cadres even after 1990 is the clue  
595 for the explanation of farmland grabbing in Eastern Germany and  
596 probably Eastern Europe.

597 And a final question is, whether the medium scaled agriculture in Western  
598 Europe will persist for the next decades while large scale agriculture in  
599 Eastern Germany and Eastern Europe are highly supported by soil politics  
600 and the EU- subsidies.

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